

By Whit Nure

S.J.R. No. 31

A JOINT RESOLUTION

1 proposing a constitutional amendment relating to local public
2 retirement systems.

3 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

4 SECTION 1. Article XVI, Section 67, of the Texas
5 Constitution is amended by adding Subsection (f) to read as
6 follows:

7 (f) Retirement Systems Not Belonging to a Statewide System.

8 (1) The board of trustees of a system or program that provides
9 retirement and related disability and death benefits for public
10 officers and employees and that does not participate in a statewide
11 public retirement system shall:

12 (A) administer the system or program of
13 benefits;

14 (B) hold the assets of the system or program for
15 the exclusive purposes of providing benefits to participants and
16 their beneficiaries and defraying reasonable expenses of
17 administering the system or program; and

18 (C) select legal counsel and an actuary and
19 adopt sound actuarial assumptions to be used by the system or
20 program.

21 (2) A change in the number, terms, method of
22 selection, or method of removal of trustees of a system or program
23 described by this subsection may not be made unless approved by at
24 least a majority of the eligible members of the system or program

1 voting at an election on the issue. This requirement does not
2 apply to the creation of a board of trustees for a new system or
3 program that is not the successor to a previous system or program.

4 SECTION 2. This proposed constitutional amendment shall be
5 submitted to the voters at an election to be held November 2, 1993.
6 The ballot shall be printed to provide for voting for or against
7 the proposition: "The constitutional amendment to require the
8 board of trustees of a local public retirement system to administer
9 the system for the benefit of the system's members and
10 beneficiaries and to require that changes in board structure be
11 approved by the system's members."

By: Whitmire S.J.R. No. 31
(In the Senate - Filed March 8, 1993; March 9, 1993, read first time and referred to Committee on Intergovernmental Relations; April 15, 1993, reported adversely, with favorable Committee Substitute by the following vote: Yeas 8, Nays 0; April 15, 1993, sent to printer.)

COMMITTEE VOTE

	Yea	Nay	PNV	Absent
Armbrister	x			
Leedom	x			
Carriker	x			
Henderson	x			
Madla	x			
Moncrief				x
Patterson	x			
Rosson	x			
Shapiro				x
Wentworth	x			
Whitmire				x

COMMITTEE SUBSTITUTE FOR S.J.R. No. 31

By: Leedom

SENATE JOINT RESOLUTION

proposing a constitutional amendment relating to the duties of trustees of local public pension systems.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Article XVI, Section 67, of the Texas Constitution is amended by adding Subsection (f) to read as follows:

(f) Retirement Systems Not Belonging to a Statewide System. The board of trustees of a system or program that provides retirement and related disability and death benefits for public officers and employees and that does not participate in a statewide public retirement system shall:

(1) administer the system or program of benefits;
(2) hold the assets of the system or program for the exclusive purposes of providing benefits to participants and their beneficiaries and defraying reasonable expenses of administering the system or program; and
(3) select legal counsel and an actuary and adopt sound actuarial assumptions to be used by the system or program.

SECTION 2. This proposed constitutional amendment shall be submitted to the voters at an election to be held November 2, 1993. The ballot shall be printed to provide for voting for or against the proposition: "The constitutional amendment providing that the trustees of a local public pension system must administer the system for the benefit of the system's participants and beneficiaries."

* * * * *

Austin, Texas
April 15, 1993

Hon. Bob Bullock
President of the Senate

Sir:

We, your Committee on Intergovernmental Relations to which was referred S.J.R. No. 31, have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do not pass, but that the Committee Substitute adopted in lieu thereof do pass and be printed.

Armbrister, Chairman

* * * * *

WITNESSES

FOR AGAINST ON

5	Name: Oscar Muro	x
6	Representing: El Paso Fire & Police Pension	
7	City: El Paso	
8	-----	
9	Name: Jennifer C. Morales	x
10	Representing: Houston Firemen's Pension Fun	
11	City: Houston	
12	-----	
13	Name: Dennis W. Holder	x
14	Representing: Houston Firemen's Relief & Ret.	
15	City: Houston	
16	-----	
17	Name: Rick Mumey	x
18	Representing: Houston Professional Fire	
19	City: Houston	
20	-----	
21	Name: Stan Ikonen	x
22	Representing: Austin Fire Fighters Relief	
23	City: Austin	
24	-----	
25	Name: Bill Blythe	x
26	Representing: TEXPERS	
27	City: Houston	
28	-----	
29	Name: Mike Sullivan	x
30	Representing: Austin Fire Pension	
31	City: Austin	
32	-----	
33	Name: Fred Holmes	x
34	Representing: Houston Municipal Pension Bd.	
35	City: Houston	
36	-----	
37	Name: Ken Bailey	x
38	Representing: Tx State Assn. of Fire Fight.	
39	City: Austin	
40	-----	
41	Name: Ronnie Roberts	x
42	Representing: Austin Fire Pension	
43	City: Austin	
44	-----	
45	Name: Bill Stefka	x
46	Representing: Austin Fire Fighters Pension	
47	City: Austin	
48	-----	
49	Name: Lynwood Moreau	x
50	Representing: Harris County Deputy Sheriffs	
51	City: Houston	
52	-----	
53	Name: Herbert Williams, Jr.	x
54	Representing: Conroe Firemens Retirement Fu.	
55	City: Conroe	
56	-----	
57	Name: Everard Davenport	x
58	Representing: Dallas Police & Fire Pension	
59	City: Dallas	
60	-----	
61	Name: Larry D. Eddington	x
62	Representing: Tx Assn. of Public Employee Sy	
63	City: Garland	
64	-----	

**FAVORABLY AS SUBSTITUTED
SENATE COMMITTEE REPORT ON**

SB SCR (SJR) SR HB HCR HJR 31
By Whitmire
(Author/Senate Sponsor)
April 14, 1993
(date)

We, your Committee on INTERGOVERNMENTAL RELATIONS, to which was referred the attached measure, have on April 14, 1993, had the same under consideration and I am instructed to report it back with the recommendation (s) that it:

- (☒) do pass as substituted, and be printed
(☒) the caption remained the same as original measure
(☐) the caption changed with adoption of the substitute

(☐) do pass as substituted, and be ordered not printed

(☐) and is recommended for placement on the Local and Uncontested Bills Calendar.

A fiscal note was requested. (☒ yes (☐ no)
A revised fiscal note was requested. (☒ yes (☐ no)
An actuarial analysis was requested. (☐ yes (☐ no)
Considered by subcommittee. (☐ yes (☐ no)

The measure was reported from Committee by the following vote:

	YEA	NAY	ABSENT	PNV
Armbrister, Chair	<input checked="" type="checkbox"/>			
Leedom, Vice-Chair	<input checked="" type="checkbox"/>			
Carriker	<input checked="" type="checkbox"/>			
Henderson	<input checked="" type="checkbox"/>			
Madla	<input checked="" type="checkbox"/>			
Moncrief			<input checked="" type="checkbox"/>	
Patterson	<input checked="" type="checkbox"/>			
Rosson	<input checked="" type="checkbox"/>			
Shapiro			<input checked="" type="checkbox"/>	
Wentworth	<input checked="" type="checkbox"/>			
Whitmire			<input checked="" type="checkbox"/>	
TOTAL VOTES	8	0	3	0

COMMITTEE ACTION

S260 Considered in public hearing
S270 Testimony taken

Maryann Baab
COMMITTEE CLERK

Ken Ambush
CHAIRMAN

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE
73rd Regular Session

March 19, 1993

TO: Honorable Ken Armbrister, Chair
Committee on Intergovernmental Relations
Senate Chamber
Austin, Texas

IN RE: Senate Joint Resolution No. 31
By: Whitmire

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Senate Joint Resolution No. 31 (proposing a constitutional amendment relating to local public retirement systems) this office has determined the following:

No significant fiscal implication to the State or units of local government is anticipated other than the cost of publication.

The cost of publication of the resolution to the State is \$60,000

Source: State Pension Review Board
LBB Staff: JO, JWH, EC, RRN, OC

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE
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LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE
73rd Regular Session

April 15, 1993

TO: Honorable Ken Armbrister, Chair
Committee on Intergovernmental Relations
Senate Chamber
Austin, Texas

IN RE: Committee Substitute for
Senate Joint Resolution No. 31

FROM: Jim Oliver, Director

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Source: State Pension Review Board;
LBB Staff: JO, JWH, EC, RRN, LC

By: Whitmire

S.J.R. No. 31

Ch
-16
11

~~Substitute the following for S.J.R. No. 31~~

By: Leedom

~~SJR 31 by Whitmire~~

~~C.S.S.J.R. No. 31~~

~~Senate committee substitute by~~

~~SENATE~~
~~X JOINT RESOLUTION~~

the duties of trustees of

- (1) proposing a constitutional amendment relating to local public
- (2) ~~retirement~~ ^{pension} systems.
- (3) BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:
- (4) SECTION 1. Article XVI, Section 67, of the Texas
- (5) Constitution is amended by adding Subsection (f) to read as
- (6) follows:
- (7) (f) Retirement Systems Not Belonging to a Statewide System.
- (8) ~~(1)~~ The board of trustees of a system or program that provides
- (9) retirement and related disability and death benefits for public
- (10) officers and employees and that does not participate in a statewide
- (11) public retirement system shall:
- (12) 1) administer the system or program of
- (13) benefits;
- (14) 2) hold the assets of the system or program
- (15) for the exclusive purposes of providing benefits to participants
- (16) and their beneficiaries and defraying reasonable expenses of
- (17) administering the system or program; and
- (18) 3) select legal counsel and an actuary and
- (19) adopt sound actuarial assumptions to be used by the system or
- (20) program.
- (21) SECTION 2. This proposed constitutional amendment shall be
- (22) submitted to the voters at an election to be held November 2, 1993.
- (23) The ballot shall be printed to provide for voting for or against

4-15-93
4-29-93
5-22-93

- (1) the proposition: "The constitutional amendment providing that the
- (2) trustees of a local public pension system must administer the
- (3) system for the benefit of the system's participants and $\frac{1}{2}$
- (4) beneficiaries."

April 29 1993 Engrossed

Ruby Saw
Engrossing Clerk

1993 MAY -3 PM 5: 21

HOUSE OF REPRESENTATIVES

I certify that the attached is a true and correct copy of SJR 31 which was received by the House on 4-30-93

referred to the Committee on Investments & Banking

[Signature]
Chief Clerk of the House

By: Whitmire

S.J.R. No. 31

(Haggerty)

SENATE JOINT RESOLUTION

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S.J.R. No. 31

1 beneficiaries."

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE
73rd Regular Session

April 15, 1993

TO: Honorable Ken Armbrister, Chair
Committee on Intergovernmental Relations
Senate Chamber
Austin, Texas

IN RE: Committee Substitute for
Senate Joint Resolution No. 31

FROM: Jim Oliver, Director

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LBB Staff: JO, JWH, EC, RRN, LC

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE
73rd Regular Session

March 19, 1993

TO: Honorable Ken Armbrister, Chair
Committee on Intergovernmental Relations
Senate Chamber
Austin, Texas

IN RE: Senate Joint Resolution No. 31
By: Whitmire

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Source: State Pension Review Board
LBB Staff: JO, JWH, EC, RRN, OC

HOUSE COMMITTEE REPORT

93 MAY -7 PM 3:19

HOUSE OF REPRESENTATIVES

1st Printing

By: Whitmire

S.J.R. No. 31

(Haggerty)

SENATE JOINT RESOLUTION

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2 trustees of local public pension systems.

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20 submitted to the voters at an election to be held November 2, 1993.
21 The ballot shall be printed to provide for voting for or against
22 the proposition: "The constitutional amendment providing that the
23 trustees of a local public pension system must administer the
24 system for the benefit of the system's participants and

COMMITTEE REPORT

The Honorable Pete Laney
Speaker of the House of Representatives

5-5-93
(date)

Sir:

We, your COMMITTEE ON INVESTMENTS AND BANKING

to whom was referred SJR 31 have had the same under consideration and beg to report
(measure)

back with the recommendation that it

(☒) do pass, without amendment.

() do pass, with amendment(s).

() do pass and be not printed; a Complete Committee Substitute is recommended in lieu of the original measure.

A fiscal note was requested. (☒) yes () no

An author's fiscal statement was requested. () yes (☒) no

A criminal justice policy impact statement was requested. () yes (☒) no

An equalized educational funding impact statement was requested. () yes (☒) no

An actuarial impact statement was requested. (☒) yes () no

A water development policy impact statement was requested. () yes (☒) no

() The Committee recommends that this measure be sent to the Committee on Local and Consent Calendars.

House Sponsor of Senate Measure Haggerty

The measure was reported from Committee by the following vote:

	AYE	NAY	PNV	ABSENT
Marchant, Ch.	<input checked="" type="checkbox"/>			
Hudson, V.C.				<input checked="" type="checkbox"/>
Carona	<input checked="" type="checkbox"/>			
Giddings	<input checked="" type="checkbox"/>			
Gutierrez	<input checked="" type="checkbox"/>			
Haggerty	<input checked="" type="checkbox"/>			
McCoulskey	<input checked="" type="checkbox"/>			
Patterson	<input checked="" type="checkbox"/>			
Price				<input checked="" type="checkbox"/>
Romo				<input checked="" type="checkbox"/>
Smith, D.	<input checked="" type="checkbox"/>			

Total

8 aye

0 nay

0 present, not voting

3 absent

[Signature]
CHAIRMAN

BILL ANALYSIS

S.J.R. 31
By: Whitmire

BACKGROUND

Currently, local pension systems that cover public employees do not have a clear method of establishing responsibility for operating the pension system. These systems also do not clearly state that the pension system is operated for the exclusive benefit of the participants and their beneficiaries and do not authorize the participants of the system to approve new members to the board of trustees.

PURPOSE

As proposed, S.J.R. 31 requires the board of trustees of a local public retirement system to administer the system for the benefit of the system's members and the beneficiaries and requires that changes in board structure be approved by the system's members.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Article XVI, Section 67, Texas Constitution, by adding Subsection (f), as follows:

(f) Retirement Systems Not Belonging to a Statewide System. (1) Requires the board of trustees of a system or program that provides retirement and related disability and death benefits for public officers and employees and that does not participate in a statewide public retirement system to:

(A) administer the system or program of benefits;

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(C) select legal counsel and an actuary and adopt sound actuarial assumptions to be used by the system or program.

(2) Prohibits a change in the number, terms, method of selection, or method of removal of trustees of a system or program described by this subsection from being made unless approved by at least a majority of the eligible members of the system or program voting at an election on the issue. Provides that this requirement does not apply to the creation of a board of trustees for a new system or program that is not the successor to a previous system or program.

SECTION 2. Requires this proposed constitutional amendment to be submitted to the voters on November 2, 1993. Sets forth the required language of the ballot.

SUMMARY OF COMMITTEE ACTION

Pursuant to an announcement read on the House floor on May 6, 1993, the Committee convened in a formal meeting on May 6, 1993. The Chair laid out SJR 31. Rep. Gutierrez moved that SJR 31 be favorably reported to the House and that it do pass which prevailed by the following vote: 8 Ayes, 0 Nays, 0 PNV, 3 Absent.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE
73rd Regular Session

May 5, 1993

TO: Honorable Kenny Marchant, Chair
Committee on Investments and Banking
House of Representatives
Austin, Texas

IN RE: Senate Joint Resolution
No. 31, as engrossed
By: Whitmire

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Senate Joint Resolution No. 31, as engrossed (proposing a constitutional amendment relating to the duties of trustees of local public pension systems) this office has determined the following:

No fiscal implication to the State or units of local government is anticipated other than the cost of publication.

The cost of publication of the resolution to the State is \$60,000.

Source: LBB Staff: JO, JWH, DF, OC

2

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE
73rd Regular Session

April 15, 1993

TO: Honorable Ken Armbrister, Chair
Committee on Intergovernmental Relations
Senate Chamber
Austin, Texas

IN RE: Committee Substitute for
Senate Joint Resolution No. 31

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Committee Substitute for Senate Joint Resolution No. 31 (proposing a constitutional amendment relating to local public retirement systems) this office has determined the following:

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LBB Staff: JO, JWH, EC, RRN, LC

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE
73rd Regular Session

March 19, 1993

TO: Honorable Ken Armbrister, Chair
Committee on Intergovernmental Relations
Senate Chamber
Austin, Texas

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By: Whitmire

FROM: Jim Oliver, Director

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Source: State Pension Review Board
LBB Staff: JO, JWH, EC, RRN, OC

4

Actuarial Impact Statement

State Pension Review Board

One Capitol Square, Suite 406

P. O. Box 13498

★

Austin, TX 78711-3498

(512) 463-1736

May 6, 1993

TO: The Honorable Kenny Marchant
Chairman, Investments and Banking Committee

RE: SJR31 by Whitmire

FROM: Rita Horwitz
Executive Director

I have examined SJR31, as passed by the Senate, proposing a constitutional amendment relating to local public retirement systems. The constitutional amendment would require the boards of trustees of local public retirement systems to administer the systems for the benefit of the systems' members and beneficiaries. It also requires the local boards of trustees to select legal counsel and actuaries, and to adopt sound actuarial assumptions. SJR31 would also require the systems' members to approve changes in board structure.

SJR31 will have no measurable actuarial affect on local systems. If I can provide further information, please contact me.

5

CORRECTED
HOUSE
COMMITTEE REPORT
1st Printing

93 MAY 12 AM 10:46
HOUSE OF REPRESENTATIVES

By: Whitmire
(Haggerty)

S.J.R. No. 31

SENATE JOINT RESOLUTION

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COMMITTEE REPORT

The Honorable Pete Laney
Speaker of the House of Representatives

5-6-93
(date)

Sir:

We, your COMMITTEE ON INVESTMENTS AND BANKING
to whom was referred SJR 31 have had the same under consideration and beg to report
(measure)

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() do pass and be not printed; a Complete Committee Substitute is recommended in lieu of the original measure.

A fiscal note was requested. (☒) yes () no An author's fiscal statement was requested. () yes (☒) no

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An actuarial impact statement was requested. (☒) yes () no

A water development policy impact statement was requested. () yes (☒) no

() The Committee recommends that this measure be sent to the Committee on Local and Consent Calendars.

House Sponsor of Senate Measure Haggerty

The measure was reported from Committee by the following vote:

	AYE	NAY	PNV	ABSENT
Marchant, Ch.	<input checked="" type="checkbox"/>			
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Patterson	<input checked="" type="checkbox"/>			
Price				<input checked="" type="checkbox"/>
Romo				<input checked="" type="checkbox"/>
Smith, D.	<input checked="" type="checkbox"/>			

Total

<u>8</u>	aye
<u>0</u>	nay
<u>0</u>	present, not voting
<u>3</u>	absent

[Signature]
CHAIRMAN

BILL ANALYSIS

S.J.R. 31
By: Whitmire

BACKGROUND

Currently, local pension systems that cover public employees do not have a clear method of establishing responsibility for operating the pension system. These systems also do not clearly state that the pension system is operated for the exclusive benefit of the participants and their beneficiaries and do not authorize the participants of the system to approve new members to the board of trustees.

PURPOSE

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SECTION BY SECTION ANALYSIS

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Austin, Texas

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FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Senate Joint Resolution No. 31, as engrossed (proposing a constitutional amendment relating to the duties of trustees of local public pension systems) this office has determined the following:

No fiscal implication to the State or units of local government is anticipated other than the cost of publication.

The cost of publication of the resolution to the State is \$60,000.

Source: LBB Staff: JO, JWH, DF, OC

2

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE
73rd Regular Session

April 15, 1993

TO: Honorable Ken Armbrister, Chair
Committee on Intergovernmental Relations
Senate Chamber
Austin, Texas

IN RE: Committee Substitute for
Senate Joint Resolution No. 31

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Committee Substitute for Senate Joint Resolution No. 31 (proposing a constitutional amendment relating to local public retirement systems) this office has determined the following:

No significant fiscal implication to the State or units of local government is anticipated other than the cost of publication.

The cost of publication of the resolution to the State is \$60,000.

Source: State Pension Review Board;
LBB Staff: JO, JWH, EC, RRN, LC

5

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE
73rd Regular Session

March 19, 1993

TO: Honorable Ken Armbrister, Chair
Committee on Intergovernmental Relations
Senate Chamber
Austin, Texas

IN RE: Senate Joint Resolution No. 31
By: Whitmire

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Senate Joint Resolution No. 31 (proposing a constitutional amendment relating to local public retirement systems) this office has determined the following:

No significant fiscal implication to the State or units of local government is anticipated other than the cost of publication.

The cost of publication of the resolution to the State is \$60,000

Source: State Pension Review Board
LBB Staff: JO, JWH, EC, RRN, OC

4

Actuarial Impact Statement
State Pension Review Board

One Capitol Square, Suite 406

P. O. Box 13498

★

Austin, TX 78711-3498

(512) 463-1736

May 6, 1993

TO: The Honorable Kenny Marchant
Chairman, Investments and Banking Committee

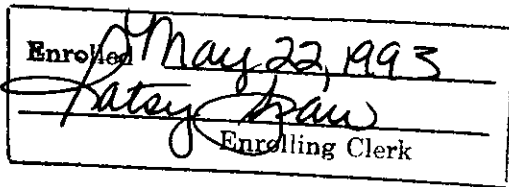
RE: SJR31 by Whitmire

FROM: Rita Horwitz
Executive Director

I have examined SJR31, as passed by the Senate, proposing a constitutional amendment relating to local public retirement systems. The constitutional amendment would require the boards of trustees of local public retirement systems to administer the systems for the benefit of the systems' members and beneficiaries. It also requires the local boards of trustees to select legal counsel and actuaries, and to adopt sound actuarial assumptions. SJR31 would also require the systems' members to approve changes in board structure.

SJR31 will have no measurable actuarial affect on local systems. If I can provide further information, please contact me.

5



S.J.R. No. 31

SENATE JOINT RESOLUTION

1 proposing a constitutional amendment relating to the duties of
2 trustees of local public pension systems.

3 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

4 SECTION 1. Article XVI, Section 67, of the Texas
5 Constitution is amended by adding Subsection (f) to read as
6 follows:

7 (f) Retirement Systems Not Belonging to a Statewide System.
8 The board of trustees of a system or program that provides
9 retirement and related disability and death benefits for public
10 officers and employees and that does not participate in a statewide
11 public retirement system shall:

12 (1) administer the system or program of benefits;
13 (2) hold the assets of the system or program for the
14 exclusive purposes of providing benefits to participants and their
15 beneficiaries and defraying reasonable expenses of administering
16 the system or program; and

17 (3) select legal counsel and an actuary and adopt
18 sound actuarial assumptions to be used by the system or program.

19 SECTION 2. This proposed constitutional amendment shall be
20 submitted to the voters at an election to be held November 2, 1993.
21 The ballot shall be printed to provide for voting for or against
22 the proposition: "The constitutional amendment providing that the
23 trustees of a local public pension system must administer the
24 system for the benefit of the system's participants and

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S.J.R. No. 31

1 beneficiaries."

President of the Senate

Speaker of the House

I hereby certify that S.J.R. No. 31 was adopted by the Senate on April 29, 1993, by the following vote: Yeas 30, Nays 0.

Secretary of the Senate

I hereby certify that S.J.R. No. 31 was adopted by the House on May 21, 1993, by the following vote: Yeas 136, Nays 0, four present not voting.

Chief Clerk of the House

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE
73rd Regular Session

May 5, 1993

TO: Honorable Kenny Marchant, Chair
Committee on Investments and Banking
House of Representatives
Austin, Texas

IN RE: Senate Joint Resolution
No. 31, as engrossed
By: Whitmire

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Senate Joint Resolution No. 31, as engrossed (proposing a constitutional amendment relating to the duties of trustees of local public pension systems) this office has determined the following:

No fiscal implication to the State or units of local government is anticipated other than the cost of publication.

The cost of publication of the resolution to the State is \$60,000.

Source: LBB Staff: JO, JWH, DF, OC

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE
73rd Regular Session

April 15, 1993

TO: Honorable Ken Armbrister, Chair
Committee on Intergovernmental Relations
Senate Chamber
Austin, Texas

IN RE: Committee Substitute for
Senate Joint Resolution No. 31

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Committee Substitute for Senate Joint Resolution No. 31 (proposing a constitutional amendment relating to local public retirement systems) this office has determined the following:

No significant fiscal implication to the State or units of local government is anticipated other than the cost of publication.

The cost of publication of the resolution to the State is \$60,000.

Source: State Pension Review Board;
LBB Staff: JO, JWH, EC, RRN, LC

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE
73rd Regular Session

March 19, 1993

TO: Honorable Ken Armbrister, Chair
Committee on Intergovernmental Relations
Senate Chamber
Austin, Texas

IN RE: Senate Joint Resolution No. 31
By: Whitmire

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Senate Joint Resolution No. 31 (proposing a constitutional amendment relating to local public retirement systems) this office has determined the following:

No significant fiscal implication to the State or units of local government is anticipated other than the cost of publication.

The cost of publication of the resolution to the State is \$60,000

Source: State Pension Review Board
LBB Staff: JO, JWH, EC, RRN, OC

Actuarial Impact Statement State Pension Review Board

One Capitol Square, Suite 406

P. O. Box 13498

★

Austin, TX 78711-3498

(512) 463-1736

May 6, 1993

TO: The Honorable Kenny Marchant
Chairman, Investments and Banking Committee

RE: SJR31 by Whitmire

FROM: Rita Horwitz
Executive Director

I have examined SJR31, as passed by the Senate, proposing a constitutional amendment relating to local public retirement systems. The constitutional amendment would require the boards of trustees of local public retirement systems to administer the systems for the benefit of the systems' members and beneficiaries. It also requires the local boards of trustees to select legal counsel and actuaries, and to adopt sound actuarial assumptions. SJR31 would also require the systems' members to approve changes in board structure.

SJR31 will have no measurable actuarial affect on local systems. If I can provide further information, please contact me.

President of the Senate

Speaker of the House

I hereby certify that S.J.R. No. 31 was adopted by the Senate on April 29, 1993, by the following vote: Yeas 30, Nays 0.

Secretary of the Senate

I hereby certify that S.J.R. No. 31 was adopted by the House on May 21, 1993, by the following vote: Yeas 136, Nays 0, four present not voting.

Chief Clerk of the House

BILL ANALYSIS

Senate Research Center

S.J.R. 31
By: Whitmire
Intergovernmental Relations
3-12-93
As Filed

BACKGROUND

To be provided by sponsor.

PURPOSE

As proposed, S.J.R. 31 requires the board of trustees of a local public retirement system to administer the system for the benefit of the system's members and the beneficiaries and requires that changes in board structure be approved by the system's members.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Article XVI, Section 67, Texas Constitution, by adding Subsection (f), as follows:

(f) Retirement Systems Not Belonging to a Statewide System. (1) Requires the board of trustees of a system or program that provides retirement and related disability and death benefits for public officers and employees and that does not participate in a statewide public retirement system to:

(A) administer the system or program of benefits;

(B) hold the assets of the system or program for the exclusive purposes of providing benefits to participants and their beneficiaries and defraying reasonable expenses of administering the system or program; and

(C) select legal counsel and an actuary and adopt sound actuarial assumptions to be used by the system or program.

(2) Prohibits a change in the number, terms, method of selection, or method of removal of trustees of a system or program described by this subsection from being made unless approved by at least a majority of the eligible members of the system or program voting at an election on the issue. Provides that this requirement does not apply to the creation of a board of trustees for a new system or program that is not the successor to a previous system or program.

SECTION 2. Requires this proposed constitutional amendment to be submitted to the voters on November 2, 1993. Sets forth the required language of the ballot.

BILL ANALYSIS

Senate Research Center

S.J.R. 31
By: Whitmire
Intergovernmental Relations
4-6-93
As Filed

BACKGROUND

Currently, local pension systems that cover public employees do not have a clear method of establishing responsibility for operating the pension system. These systems also do not clearly state that the pension system is operated for the exclusive benefit of the participants and their beneficiaries and do not authorize the participants of the system to approve new members to the board of trustees.

PURPOSE

As proposed, S.J.R. 31 requires the board of trustees of a local public retirement system to administer the system for the benefit of the system's members and the beneficiaries and requires that changes in board structure be approved by the system's members.

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(C) select legal counsel and an actuary and adopt sound actuarial assumptions to be used by the system or program.

(2) Prohibits a change in the number, terms, method of selection, or method of removal of trustees of a system or program described by this subsection from being made unless approved by at least a majority of the eligible members of the system or program voting at an election on the issue. Provides that this requirement does not apply to the creation of a board of trustees for a new system or program that is not the successor to a previous system or program.

SECTION 2. Requires this proposed constitutional amendment to be submitted to the voters on November 2, 1993. Sets forth the required language of the ballot.

BILL ANALYSIS

Senate Research Center

C.S.S.J.R. 31
By: Whitmire
Intergovernmental Relations
4-19-93
Committee Substitute

BACKGROUND

Currently, local pension systems that cover public employees do not have a clear method of establishing responsibility for operating the pension system. These systems also do not clearly state that the pension system is operated for the exclusive benefit of the participants and their beneficiaries and do not authorize the participants of the system to approve new members to the board of trustees.

PURPOSE

As proposed, C.S.S.J.R. 31 requires the trustees of a local public pension system to administer the system for the benefit of the system's participants and beneficiaries.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Article XVI, Section 67, Texas Constitution, by adding Subsection (f), as follows:

(f) Retirement Systems Not Belonging to a Statewide System. Requires the board of trustees of a system or program that provides retirement and related disability and death benefits for public officers and employees and that does not participate in a statewide public retirement system to:

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(B) hold the assets of the system or program for the exclusive purposes of providing benefits to participants and their beneficiaries and defraying reasonable expenses of administering the system or program; and

(C) select legal counsel and an actuary and adopt sound actuarial assumptions to be used by the system or program.

SECTION 2. Requires this proposed constitutional amendment to be submitted to the voters on November 2, 1993. Sets forth the required language of the ballot.

BILL ANALYSIS

Senate Research Center

S.J.R. 31
By: Whitmire
Intergovernmental Relations
7-19-93
Enrolled

BACKGROUND

Currently, local pension systems that cover public employees do not have a clear method of establishing responsibility for operating the pension system. These systems also do not clearly state that the pension system is operated for the exclusive benefit of the participants and their beneficiaries and do not authorize the participants of the system to approve new members to the board of trustees.

PURPOSE

As enrolled, S.J.R. 31 requires the trustees of a local public pension system to administer the system for the benefit of the system's participants and beneficiaries.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

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SECTION 1. Amends Article XVI, Section 67, Texas Constitution, by adding Subsection (f), as follows:

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(C) select legal counsel and an actuary and adopt sound actuarial assumptions to be used by the system or program.

SECTION 2. Requires this proposed constitutional amendment to be submitted to the voters on November 2, 1993. Sets forth the required language of the ballot.

SENATE JOINT RESOLUTION
proposing a constitutional amendment relating to local public retirement
systems.

3-8-93

Filed with the Secretary of the Senate

MAR 09 1993Read and referred to Committee on Intergovernmental Relations

Reported favorably _____

9.15.93

Reported adversely, with favorable Committee Substitute; Committee Substitute read first time.

Ordered not printed

APR 29 1993

Laid before the Senate

Senate and Constitutional Rules to permit consideration suspended by:

{ unanimous consent

____ years, ____ nays

APR 29 1993

Read second time, _____, and ordered engrossed by:

{ unanimous consenta viva voce vote

____ years, ____ nays

Caption ordered amended to conform to the body of the bill.

Senate and Constitutional 3 Day Rule suspended by a vote of 30 yeas, 0 nays.APR 29 1993Read third time, _____, and passed by: 30 yeas, 0 naysBetty King

SECRETARY OF THE SENATE

OTHER ACTION:

April 29, 1993

Engrossed

April 30, 1993

Sent to House

MAY 12 1993 Sent for corrective Committee printing. 9:30am
5.12.93 Corrective Printing Printed + Distributed 10:46am.
5.12.93 Corrective Printing sent to Calendars 2:42pm.

Engrossing Clerk

Patsy GrawAPR 30 1993

Received from the Senate

MAY 3 1993

Read first time and referred to Committee on

INVESTMENTS + BANKING5-5-93Reported favorably amended, sent to Printer12:20pm MAY 7 19935.7.93

Printed and Distributed

3:19pm5.8.93

Sent to Committee on Calendars

11:16amMAY 21 1993Read Second time (amended) and finally adoptedfailed adoption by Record Vote of 136 yeas, 0 nays 4 present not voting.Read third time (amended) and finally adopted

failed adoption by Record Vote of _____ yeas, _____ nays _____ present not voting.

Caption ordered amended to conform to body of bill.

MAY 28 1993

Returned to Senate.

Betty Murray

CHIEF CLERK OF THE HOUSE

MAY 22 1993

Returned from House without amendment.

Returned from House with _____ amendments.

Concurred in House amendments by a viva voce vote _____ yeas, _____ nays.

_____ Refused to concur in House amendments and requested the appointment of a Conference Committee to adjust the differences.

_____ Senate conferees instructed.

_____ Senate conferees appointed: _____, Chairman; _____, _____, _____, and _____.

_____ House granted Senate request. House conferees appointed: _____, Chairman; _____, _____, _____, _____.

_____ Conference Committee Report read and filed with the Secretary of the Senate.

_____ Conference Committee Report adopted on the part of the House by: _____

{ a viva voce vote
_____ yeas, _____ nays

_____ Conference Committee Report adopted on the part of the Senate by: _____

{ a viva voce vote
_____ yeas, _____ nays

OTHER ACTION:

_____ Recommitted to Conference Committee

_____ Conferees discharged.

_____ Conference Committee Report failed of adoption by: _____

{ a viva voce vote
_____ yeas, _____ nays

93 MAY 12 AM 10:46
HOUSE OF REPRESENTATIVES

93 MAY -7 PM 3:19
HOUSE OF REPRESENTATIVES

751
156